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Summary record of the 37th meeting
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Chairman: Mr. Abelian ..... (Armenia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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Organization of work

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The meeting was called to order at 10 a.m.

Agenda item 113: Programme budget for the biennium 1998–1999 (*continued*)

Integrated Management Information System project (A/53/7/Add.7, A/53/573 and A/53/662)

1. **Mr. Connor** (Under-Secretary-General for Management) said that the tenth progress report of the Secretary-General on the Integrated Management Information System (IMIS) project (A/53/573) was closely linked with the report by the independent experts (A/53/662) and to the previous progress report and the 1997 report of the Board of Auditors. As requested by the General Assembly, the Secretariat had based its plan of action largely on the independent experts' report. The Secretariat had tried to provide a balanced view of current activities, its responses to the requests of the General Assembly and the Board of Auditors, the progress made, and the challenges to be taken up.

2. The outstanding issues must be dealt with one by one on the basis of priorities. Firstly, the delay in completing Release 4 (Payroll) had occurred because the contractor had underestimated the amount and complexity of the work to be done. The Secretariat was working hard with the contractor to ensure delivery of the software by the end of January 1999. The implementation of Release 4 would be the last major effort at Headquarters. Difficulties would certainly arise, but the Secretariat was confident that they would be overcome. Implementation at other headquarters offices would be less complex.

3. Secondly, the delays in implementing Release 3 (Finance and support services applications) at offices away from Headquarters had been due to the priority given to enhancing the software. Again, difficulties were likely to arise, and major efforts would be required by management and staff at all duty stations. However, the Secretariat was also confident that Release 3 would be implemented on time.

4. Thirdly, the offices of the Department of Management had not yet completely taken over the operation of the software. The recommendations of the independent experts were being analysed by each office and by the Task Force on Common Services. The IMIS Steering Committee would treat the matter as a priority over the next few weeks in order to ensure that the responsibilities of each area were well defined and that the final structure to support the operations could be put in place.

5. The Secretariat did not underestimate the remaining difficulties but was also more confident than in the past because of the progress made since December 1997. It had made every effort to address most of the requests of the General Assembly and the recommendations of the Board of Auditors. That progress had been made possible by the dedication and hard work of staff members in New York and at the other headquarters offices. Most of the activities would be carried out by United Nations staff, and the maintenance of the system had already been taken over from the main contractor.

6. The report of the independent experts would help Member States and the Administration to understand better what had been achieved and what had not been done well. It did not contradict but rather complemented the report of the Board of Auditors, which, as an audit report, had concentrated on the issues which the Board had felt needed to be addressed. The experts' report was a management report and put the Board's findings into perspective. It highlighted one point so far overlooked: IMIS was not merely a technological project but a major reform with an impact reaching far beyond data processing to affect the majority of the Organization's administrative practices. It was an important tool in the reforms launched by the Secretary-General.

7. The report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the topic (A/53/7/Add.7) highlighted some of the findings of the experts, but he wished to stress one vital point: at the time of the project's launch there had been no commercial system meeting the United Nations requirements. Such a system was still not available, but the approach taken by the United Nations since 1990 was in line with the current industry trends. The experts had also identified the shortcomings which had complicated the project: the lack of a corporate information technology plan for the Secretariat; the lack since the outset of adequate staff resources to support the effort; the gross underestimate of the volume of report writing required; and the delays in the establishment of operations support in the user offices of the Department of Management.

8. He intended personally to monitor the progress made in each of those areas. The new Director of the Information Technology Services Division, who was about to be recruited, would have to deal immediately with the lack of a corporate information technology plan. Furthermore, the Secretary-General had recently proposed that the issue of information technology should be placed on the agenda of the next meeting of the Advisory Committee on Coordination (ACC). Good progress was also being made in the IMIS common services working group for the creation of a common maintenance team. Close cooperation had been

established with the United Nations Development Programme (UNDP) and arrangements might be agreed upon within the next few months with all the other IMIS users. Such arrangements would be referred to ACABQ.

9. In the light of the views of the independent experts and the recommendations of the Board of Auditors, the Secretariat had revised the cost projections submitted in 1997. It had reviewed the current status of the project, bearing in mind that problems might still arise in software development and the implementation of Releases 3 and 4 at offices away from Headquarters. The revised estimates were described in chapter III of the progress report. The total additional requirement was estimated at $9.5 million: $6.5 million for the current and $3 million for the next biennium. If those costs had to be further revised, the changes would be only marginal because the project was close to completion and there were fewer unknown areas to deal with. The major difficulties had been overcome; as the independent experts stated, the Secretariat had not failed.

10. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had welcomed the format and clarity of the Secretary-General's tenth progress report (A/53/573) and in paragraph 3 of its own report (A/53/7/Add.7) it had summarized some of the main conclusions and recommendations of the independent experts. In paragraph 5 it stressed the importance of implementation by the Secretariat of all the recommendations and had indicated what information would be required in the next progress report. In paragraph 7 it recommended that the General Assembly should endorse the recommendations and request the Secretary-General to present detailed information on their implementation. The Advisory Committee had been gratified to learn of the progress which the Secretariat had already made.

11. As the Under-Secretary-General for Management had pointed out, an additional $9.5 million would be required, bringing the total for the project to $77.6 million, including $6.5 million mainly for implementation of IMIS at offices away from Headquarters, a matter which the independent experts considered should be a priority for 1999. The remaining $3 million would be needed in the biennium 2000–2001. In paragraph 17 of its report the Advisory Committee recommended that the General Assembly should approve an additional amount of $9.5 million for the completion of IMIS.

Agenda item 112: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Procurement reform and outsourcing (A/52/338 and Add.1, A/52/887 and A/52/1010; A/53/271 and Add.1 and Corr.1, and A/53/692; A/C.5/52/46)

12. **Mr. Niwa** (Assistant Secretary-General for Central Support Services) said that, in addition to the reports currently before the Committee, relevant procurement matters had also been addressed by the Board of Auditors in its report (A/53/5) and by ACABQ in its related report (A/53/513). As suggested by ACABQ, the Secretariat would shortly provide the Committee with further written information on the issues raised by the Board. Developments since the issue of the Secretary-General's report on procurement reform (A/53/271 and Corr.1) were described in addendum 1 thereto. The Advisory Committee had noted in its report (A/53/692) that a substantial number of prior observations and recommendations had been addressed. The action taken by the Secretariat was a response to the fundamental aim of the procurement reform: to improve the efficiency, cost-effectiveness, transparency, fairness and integrity of the procurement process.

13. In particular, the Secretariat had addressed the recommendations of the High-level Group of Experts on Procurement. It was confident that it was appropriate and practical to retain the ombudsman function in the Department of Management. The issue of the revised *Procurement Manual* had clarified a number of the matters connected with authority and procedure. More important, the Manual was now a useful tool. It had been placed on the United Nations Intranet in October, and a network of key units in the Procurement Division would be consulted for its regular revision.

14. In response to the General Assembly's request in resolution 52/226 A, paragraph 10 of the Secretary-General's report contained a comprehensive policy statement on exigency needs. Since ACABQ had expressed concern about the definition of exigency, he would seek the advice of the Office of Legal Affairs with a view to improving the text. Only two cases of exigency had been submitted so far in 1998. Exigency was being used appropriately in the procurement process.

15. The Secretariat supported the principle underlying paragraph 17 of resolution 52/226 A that requisitioners should not be permitted to specify the source of manufacture or supply. However, termination of the practice might

adversely affect efficiency and economy. The Secretariat therefore requested the Committee to reconsider the matter.

16. The General Assembly had stressed the desirability of increasing procurement from developing countries and countries with economies in transition. The report of the UNDP Inter-Agency Procurement Services Office (IAPSO) showed that in 1997 41 per cent of system-wide procurement had been from such countries. Much remained to be done, but the situation was improving dramatically. Again in 1997, 9 per cent of United Nations procurement had been from developing countries, as against 0.07 per cent in 1996. The Secretariat had found that the figure of 25 per cent for developing countries given in the IAPSO report should have been 58 per cent, up from virtually nil in 1996. None of the organizations in the system used specific margins of preference for suppliers from developing countries, although the international financial institutions allowed a limited exception. The increase in procurement from developing countries had been achieved by other measures, including improved market research, business seminars in developing countries, increased short listing of suppliers from developing countries and increased delegation of authority to field operations. The United Nations and the Governments concerned would have to make joint efforts if procurement from developing countries and countries with economies in transition was to be increased further.

17. In the procurement statistics of the United Nations system the rules of origin were applied on the basis of the location of the supplier in the case of goods and on the location of the company's headquarters in the case of services. The Advisory Committee had expressed concern about that methodology. However, whatever the methodology, rules of origin were difficult and costly to apply. A special committee had been working for three years under the auspices of the World Trade Organization (WTO) to establish a standard rule of origin. Such a rule would necessarily be extremely complicated since many countries might be involved in the manufacture of a product. For practical reasons, therefore, the current system should be continued; consideration could be given to the WTO rule once it had been established.

18. The information on preferential treatment for Member States not in arrears was contained in the corrigendum to the Secretary-General's report. It was hoped that the information, which included the opinion of the Legal Counsel, would enable the Committee to explore the matter further.

19. He had noted the views of the Advisory Committee on the request to upgrade the post of chief of the Procurement Division to D-2. The classification of the post should not be determined solely by the magnitude of the volume of procurement; consideration should also be given to how the procurement function was to be performed and to the role to be played by the Division's chief. The procurement reforms mandated by the General Assembly demanded a high level of professionalism, coordination and discipline throughout the Organization. The chief was also expected to assume a leadership role. The measures currently being taken with respect to common services were expected to produce a harmonized framework for procurement. Taking into account the size of other units in the Secretariat and the other organizations involved, he felt that the Procurement Division did indeed require an experienced professional at the D-2 level.

20. Since the regulations and rules on procurement were contained entirely within the Financial Regulations and Rules, the task of making changes had entailed extensive coordination with other Secretariat units. The Department of Management was still studying ways of integrating the procurement changes with the other changes to the Financial Regulations and Rules. The Secretariat was committed to continued progress in procurement reform. However, the Department would have to establish an order of priorities among the areas covered by the decisions on such reform. It would need the Committee's support and guidance in that task.

21. Important results had been achieved by the common services initiative, and the future of procurement in the Secretariat must be seen as part of that common effort. One important achievement had been the development of common procurement regulations, which posited the concept of value for money in the place of the existing basis of the lowest acceptable bid. Such harmonization of the regulations would lead to closer cooperation, savings, and more effective procurement in the United Nations and in the funds and programmes. The Board of Auditors might examine that point in the context of the proposed horizontal audit of procurement requested by ACABQ. The implementation of the United Nations Common Supplier Database (UNCSD) would also improve efficiency and transparency. Twelve organizations, including the Secretariat, had undertaken to share a single supplier database. UNCSD was expected to provide a single gateway for suppliers into the system, eliminating the need for suppliers to register with each organization. Eventually, the organizations would also share supplier evaluation information. The database would also reduce roster maintenance costs and the need to use suppliers identified by requisitioners, as well as facilitating procurement from developing countries.

22. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, at the suggestion of ACABQ, the Secretary-General's report had been corrected and an addendum issued, allowing the Advisory Committee to produce a much shorter report (A/53/692). The addendum showed that great progress had been achieved in implementing the recommendations on procurement reform made by the General Assembly, the Board of Auditors and ACABQ. The Advisory Committee had requested the Board to evaluate the effectiveness of the reform measures.

23. The Advisory Committee insisted that the Board's recommendations on the use of suppliers recommended by requisitioners should be implemented. In paragraphs 7 to 9 of its report it commented on procurement from developing countries and in paragraph 10 it noted that the Secretary-General's definition of exigency was too broad to be of any value in exercising the required control. It had therefore not pronounced on that subject, pending further discussion with the Board of Auditors. The Advisory Committee had maintained its previous position on the proposed reclassification of a D-1 post to the D-2 level.

Agenda item 119: Human resources management (*continued*) (A/53/327, A/53/385, A/53/414, A/53/526 and Add.1, A/53/548 and A/53/642)

24. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that in paragraph 8 of the part of its report on human resources management (A/53/691) dealing with vacancies in the Secretariat the Advisory Committee recommended that the General Assembly should adopt option B in annex II of the Secretary-General's report (A/53/327). It was his own view that the matter should not be postponed and that the Fifth Committee should take action even if many of the subjects taken up under item 119 were postponed to a resumed session.

25. The Advisory Committee's comments on the employment of retirees were contained in paragraphs 9 to 13 of its report. It welcomed the report of the Secretary-General as a first step to the establishment of a procedure by which the General Assembly could monitor the employment of retired personnel. In the penultimate sentence of paragraph 10, the reference should have been to persons "who have retired at or after age 60 or 62" and to "those who have elected to receive a withdrawal settlement". The Secretary-General had applied the definition of retiree contained in resolution 51/408, and the Advisory Committee had agreed with that definition. However, it had recommended that a start should be made on monitoring some personnel not covered by the definition. There were several weaknesses in the current system for monitoring compliance with General Assembly decisions. The Advisory Committee trusted that the installation of IMIS in offices away from Headquarters would address those weaknesses.

26. Some of the deficiencies in the Secretary-General's report on consultants and individual contractors were described in paragraph 15 of the ACABQ report. For example, the General Assembly's request, made on the recommendation of the Advisory Committee, that the Secretary-General's report should follow the format used in previous years had not been complied with. The Secretariat should look at how the subject was reported on in the past. In the meantime, because of the somewhat low quality of the report, the Advisory Committee had been unable to evaluate the statistics contained therein.

27. The Advisory Committee recommended that the comprehensive guidelines for the use of consultants in the Secretariat (A/53/385) should be endorsed by the General Assembly and applied in a manner which ensured conformity with the decisions of the General Assembly on the employment of consultants.

28. The Advisory Committee's views on human resources management reform were contained in paragraphs 17 to 20 of its report. He drew the Fifth Committee's attention to the recommendation that the Secretary-General should submit an implementation plan. The budgetary implications of the reform measures, including those in the implementation plan, should be indicated in the proposed programme budgets.

29. **Mr. Odaga-Jalomayo** (Uganda) requested that the oral report just given by the Chairman of the Advisory Committee should be circulated in writing.

30. **The Chairman** said that the Secretariat would attend to the request.

Agenda item 135: Financing of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 (*continued*) (A/52/520 and A/52/891; A/53/651; A/C.5/52/47; A/C.5/53/12 and A/C.5/53/13)

Agenda item 137: Financing of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan

Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 (*continued*) (A/52/520 and A/52/784; A/53/659; A/C.5/52/48; A/C.5/53/14 and A/C.5/53/15)

31. **Ms. Zainoeddin** (Office of Programme Planning, Budget and Accounts), responding to questions, said that it was not easy to compare the functioning of the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda with that of the International Court of Justice in view of their differing mandates. Her office would nevertheless circulate an informal paper which attempted to do so in tabular form.

32. Regarding resource requirements relating to the appointment of new judges, she said that three new judges had been appointed to the International Tribunal for the Former Yugoslavia with effect from November 1998. There was no financial provision for installation or relocation of any judge in 1999. There was thus no discrepancy between the situations in the two Tribunals.

33. The 1998 vacancy rate for the International Tribunal for the Former Yugoslavia reflected a substantial increase in posts during the year, combined with a recruitment process that took between three and six months. Substantial progress had been made, and it was now expected that 92 per cent of the posts approved for 1998 would be filled by the end of the year.

34. At the International Criminal Tribunal for Rwanda, almost 200 posts had been filled during 1997. The high vacancy rate for 1998 must be seen in the context of the new posts approved for the year. Steps had been taken to speed up recruitment. For example, in urgent cases an initial review of applicants already in the Tribunal's roster was conducted before vacancy announcements were posted. A recruitment officer had been seconded from the Office of Human Resources Management to support the Tribunal, and additional staff would be sent as required.

35. The International Tribunal for the Former Yugoslavia had granted 16 requests for changes of defence counsel and seven requests for changes of co-counsel, and the International Criminal Tribunal for Rwanda had granted 10 requests for changes of defence counsel and two for changes of co-counsel. Requests by the accused for changes of counsel were granted only after careful review because such changes resulted in higher costs and delays in trial proceedings.

36. In many countries it was the practice to assign legal counsel to indigent detainees, who could also request a change in the assigned counsel. Those procedures were followed in the two Tribunals.

37. The standards for the physical conditions of the detention facility were the same for both Tribunals. The Rules of Detention had been drawn up in accordance with the Standard Minimum Rules for the Treatment of Prisoners. The International Committee of the Red Cross had full access, unannounced, to both detention facilities to ensure compliance. An increase had been proposed in medical supplies for the International Criminal Tribunal for Rwanda because of the need to provide medical treatment to detainees.

38. With regard to security arrangements, she said that in the case of the International Tribunal for the Former Yugoslavia security officers were assigned to the Prosecutor, Deputy Prosecutor and investigators during travel on potentially dangerous missions. Judges were given personal protection as required, including when travelling. The International Criminal Tribunal for Rwanda was working closely with local authorities to assess risks and determine what measures should be taken. There was an emergency response capability. The Tribunal was guided by the Security Coordinator's classification of areas of Rwanda, and the residences of judges were guarded by United Nations security officers and local police.

39. Most measures to protect witnesses had no impact on the budget, although video-linked testimony had a direct effect on spending, as did measures for the physical protection and relocation of vulnerable witnesses. The International Tribunal for the Former Yugoslavia was concluding agreements with various Member States regarding the relocation of witnesses requiring protection. The relevant information in connection with the International Criminal Tribunal for Rwanda had been provided in annex III to the Secretary-General's report on the financing of the Tribunal (A/C.5/53/15).

40. Answers to other questions raised by delegations would be provided in writing.

41. **Mr. Odaga-Jalomayo** (Uganda) said that his delegation welcomed the fact that some of the answers had been given at a formal meeting. He would also appreciate information on the accommodation provided at the International Criminal Tribunal for Rwanda for offices and for senior officials.

42. **Mr. Orr** (Canada) asked what had prompted the Advisory Committee to recommend that an expert review should be conducted of the management and organizational structures of the two Tribunals, what type of experts would

be involved, and whether the review would be of the kind normally conducted by the Office of Internal Oversight Services (OIOS). Should the review take place, he hoped that the ensuing report would be available before the end of the current session so that it could be taken into account in preparing the budgets for the year 2000 for the two Tribunals.

43. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee believed that the review, with full participation of the Tribunals, should focus on judicial management rather than administrative management and that the group conducting it should comprise judges, prosecution, trial and defence experts with sufficient experience to be able to evaluate a Tribunal of international character. The purpose of the proposed expert review was not in any way aimed at the statutes of the two Tribunals. He stressed that the principal objective of the review would be judicial management, even though judicial management had an important impact on administrative management and efficiency of the Tribunals. He gave as an example the introduction of pre-trial court management as referred to in paragraphs 15 and 21 of the reports of the Secretary-General (A/C.5/53/13 and A/C.5/53/15) on the International Tribunals for the Former Yugoslavia and Rwanda, respectively. He indicated that when at The Hague, the Advisory Committee had been informed that a seminar had been convened before the new procedure was introduced. The seminar had included outside experts in judicial court management. The Advisory Committee therefore welcomed the introduction of pre-trial court management and concluded that that experience could be used to introduce improvement in other areas of the judicial functioning of the two Tribunals. In view of the foregoing, the Advisory Committee believed that the proposed review could not be undertaken by the OIOS, the Board of Auditors, JIU or the United Nations Secretariat.

Organization of work

44. **The Chairman** said that the Committee's earlier decision to extend the deadline for completion of its work during the main part of the session to 9 December had been based on the assumption that the first performance report and the budget outline for the biennium 2000–2001 would be available by 30 November. Unfortunately, they had not been issued and consideration of them could not begin before 4 December. The Bureau had therefore agreed that the Committee should concentrate on completing its informal consultations on all outstanding issues during the week ahead.

45. He appealed to delegations to do their utmost to make that possible. While the programme for the week was not ideal, it was the only realistic way to proceed in the circumstances. The Committee had not completed its consideration of the pension system or of the common system, and those items would also have to be accommodated. He hoped that the Committee could take up the performance report and the budget outline the following week, but it was premature to set a deadline for the completion of the Committee's work. The consideration of some items would have to be deferred until the resumed session.

46. **Ms. Silot Bravo** (Cuba) asked whether it would be possible for the Committee to continue its consideration of revised estimates resulting from resolutions and decisions of the Economic and Social Council and the treatment of perennial activities in the programme budget.

47. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had taken up the Secretary-General's report on the relationship between the treatment of perennial activities in the programme budget and the use of the contingency fund (A/C.5/52/42) in conjunction with the budget outline, and it would report to the Fifth Committee in the context of its report on the outline.

48. **The Chairman** said that the Committee would consider those matters under item 113 at the end of the week.

The meeting rose at 11.45 a.m.